

Financing Through Soft Loans, Presented on the Ethiopian Water Week Symposium



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*June 19/2019
Skylight Hotel
Addis Ababa*

GENERAL INFORMATION

Water Resources Development Fund (WRDF)

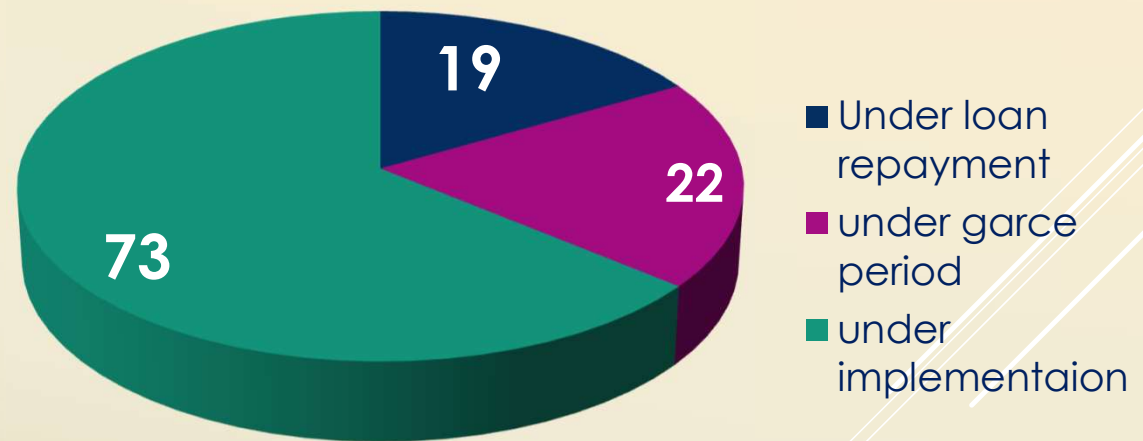
- ▶ Established January 31st 2002 (Tir 23/1994 E.C)
- ▶ provides soft loans for TWUs
- ▶ extended loans to 114 Projects in 104 Towns
- ▶ Payback period of 20 to 40 years
- ▶ grace period of 3 to 5 years
- ▶ 3% fixed interest.



CONT'D.....

- ❖ Among signed 114 projects,
- ✓ 41 projects completed,
- ✓ remaining(73) projects are in progress
- ✓ 19 towns begun loan repayments(600 M Birr)
- ✓ 10 M+ beneficiaries

Status of projects



FUND ALLOCATION

- ▶ Mainly Two Sources:
 1. Soft loan from WRDF (maximum of 80%)
 2. Matching fund (Max. 50%).

Allocated Fund

- ▶ Total extended loan amount is Birr 9.8 billion
- ▶ Development Partners;
 - Multilateral -WB/IDA, ADB, EIB, BADEA, Unicef
 - Bilateral- UK, Italy, France, Kuwait

Some of Our DPs.



BORROWER ELIGIBILITY

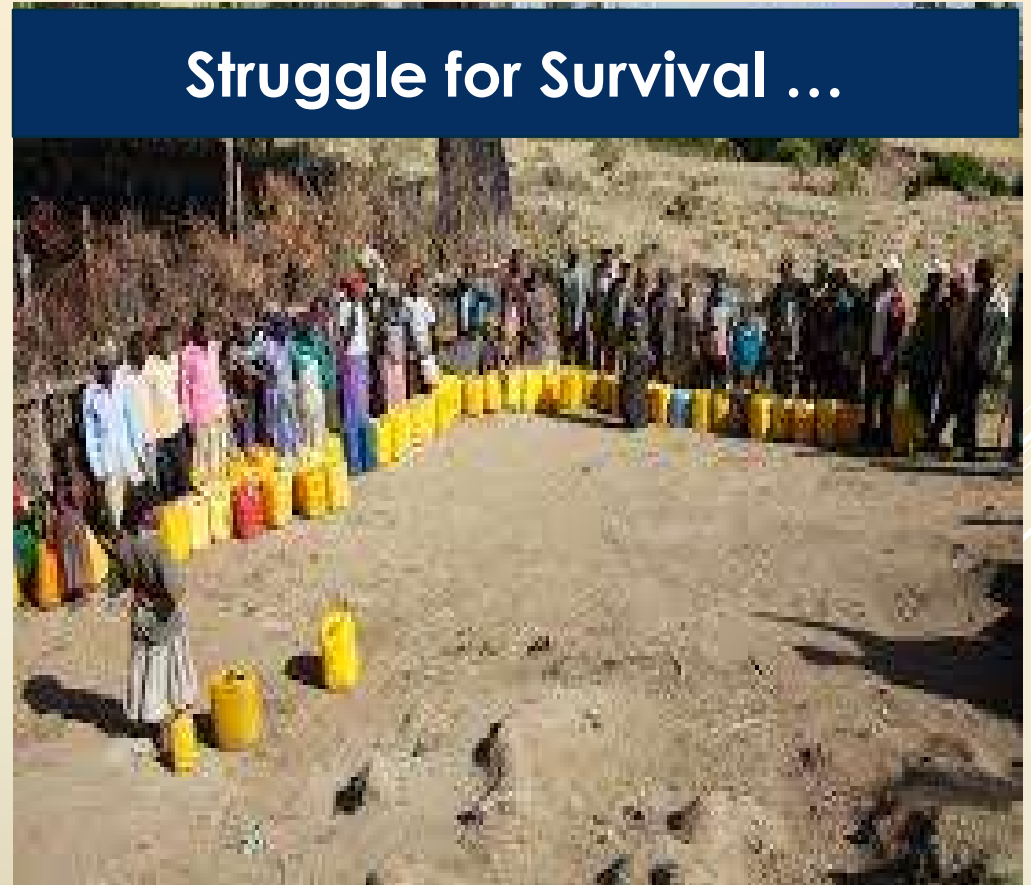
A- Legal requirements:

Established by proclamation

B- Institutional Eligibility : Board, TWU office

C- Documents: Feasibility, Design & Business plan

D- Application Form



APPRAISAL PROCESS

- ❖ Done at Both Desk and Field Levels
- ❖ Composition of the appraisal team:-
 1. Technical Appraisal
 2. Economic Appraisal
 3. Financial Appraisal
 4. Environmental & Social Appraisal
 5. Institutional Appraisal/ Team Appraisal
- Loan Agreement and implementation
Follow up Continues



MAIN CHALLENGES

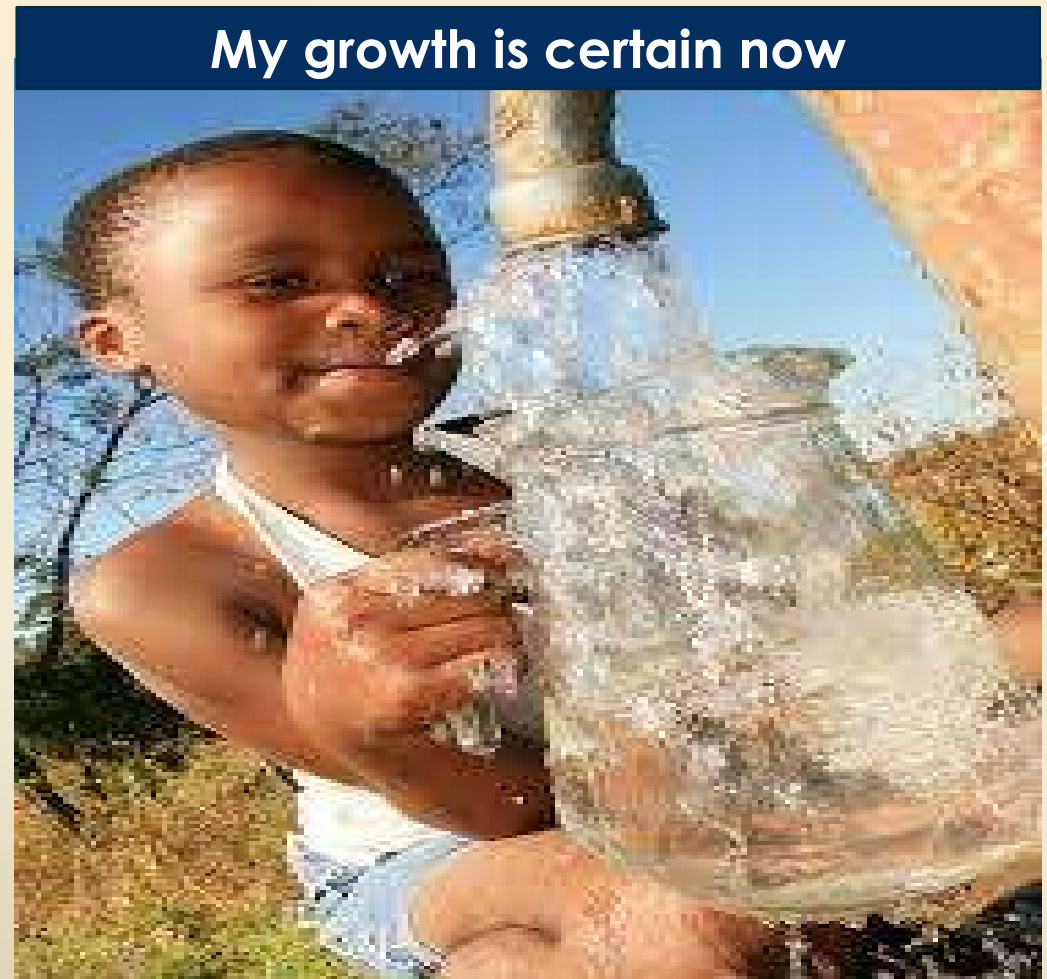
- ▶ Fund availability(12+ billion ETB is required for the next 10 years)
- ▶ Imperfect study and Design documents
- ▶ Population Growth(CSA vs Adm. Data)
- ▶ Source Development(unconfirmed sources)
- ▶ Depletion of under ground water(rising need for surface water)
- ▶ Institutional capacity Problem:
 - ✓ Client side (TWUs, Board, Public bodies at all tiers)
 - ✓ Private sector(Consultants, Contractors, Suppliers)

Can you imagine ??



OPPORTUNITIES

- ▶ Rising awareness of TWUs to accesses loan
- ▶ Emphases given to WS & sanitation by GTP-II
- ▶ Rising willingness to finance urban WSSPs by DPs
- ▶ New working Manuals in Place
- ▶ Organizational set up is under Review for recalibration



My growth is certain now

OPPORTUNITIES

- ▶ Emergence of new PPP
Proclamation:
- ✓ Recognition to private sector
(both domestic & external)
- ✓ Fiscal gap will be filled (b/n
domestic saving & Investment)
- ✓ Risk sharing b/n private and
public sectors
- ✓ Engagement of private sector
improves adm. efficiency

Inauguration Ceremony at Hawassa





Thank you
so much !!

